

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7754

BILL NUMBER: HB 1360

DATE PREPARED: Feb 15, 2001

BILL AMENDED: Feb 14, 2001

SUBJECT: Designation of Tax Refund for Cancer Research.

FISCAL ANALYST: Chris Baker

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the Barry J. Brumer Cancer Research Fund. The bill also provides that a taxpayer may designate all or a part of the taxpayer's state income tax refund to be paid over to the Barry J. Brumer Cancer Research Account within the Indiana Health Care Trust Fund. It provides that tax refunds designated to the Barry J. Brumer Cancer Research Account must be used to fund cancer research.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Department of State Revenue will have expenditures for the revision of tax forms to reflect the proposed designation. The Department should be able to absorb these costs within its current budget.

Explanation of State Revenues: (Revised) In tax year 1998, the number of individual income tax returns receiving a refund was 1,730,772. The total amount refunded was \$247.1 M. There would be no negative impact to State revenues as all designations would come from individual income tax refunds. Designations received for cancer research would be deposited into the Barry J. Brumer Cancer Research Account within the Indiana Health Care Trust Fund (IHCTF). The IHCTF was established by P.L. 21-2000. The impact to the Barry J. Brumer Cancer Research Account within the IHCTF is indeterminable and would depend on the amount of refunds designated by taxpayers for cancer research. As a point of reference, there were 36,285 taxpayers who designated \$389,977 in refunds to the NonGame Fund in 1998.

With regard to the NonGame Fund, the bill specifies that if a single or joint taxpayer were to designate this fund and the Barry J. Brumer Cancer Research Account on their return, the Department would be required to apply the refund to the NonGame Fund first. Secondly, any remaining refund that was not applied to the donation to the NonGame Fund would then be designated to the Barry J. Brumer Cancer Research Account.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue; State Budget Agency; State Department of Health.

Local Agencies Affected:

Information Sources: Department of State Revenue.